CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 17, 2011

H.R. 672
Election Support Consolidation and Efficiency Act

As reported by the Committee on House Administration on June 2, 2011

SUMMARY

H.R. 672 would eliminate the Election Assistance Commission (EAC) and transfer some of its responsibilities to the Federal Election Commission (FEC). The EAC would terminate within 60 days of the bill's enactment. The legislation also would establish a Guidelines Review Board to oversee voluntary guidelines for state voting systems.

CBO estimates that implementing H.R. 672 would reduce the need for future appropriations to support the EAC by $33 million over the 2012-2016 period, assuming future appropriations are reduced. We also estimate that enacting the bill would affect direct spending because some employees would retire sooner than expected under current law; therefore, pay-as-you-go procedures apply. However, CBO estimates that any net increase in direct spending under the bill over the 2011-2021 period would be negligible because early retirees would receive smaller retirement benefits than they would under current law. Enacting H.R. 672 would have no significant effect on revenues.

H.R. 672 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 672 is shown in the following table. The costs of this legislation fall within budget functions 600 (income security) and 800 (general government).

	By Fiscal Year, in Millions of Dollars					
	2012	2013	2014	2015	2016	2012-2016
CHANGES IN SPENDING SUBJECT TO APPROPRIATION[a]						
Terminating Election Assistance Commission						
Estimated Authorization Level	-14	-15	-15	-15	-16	-75
Estimated Outlays	-14	-15	-15	-15	-16	-75
Federal Election Commission						
Estimated Authorization Level	7	8	8	8	8	39
Estimated Outlays	7	8	8	8	8	39
Office of Management and Budget						
Estimated Authorization Level	3	*	*	*	*	3
Estimated Outlays	2	1	*	*	*	3
Reports						
Estimated Authorization Level	*	*	0	0	0	*
Estimated Outlays	*	*	0	0	0	*
Total Changes						
Estimated Authorization Level	-4	-7	-7	-7	-8	-33
Estimated Outlays	-5	-6	-7	-7	-8	-33

Note: * = less than $500,000.

a. CBO estimates that enacting H.R. 672 would increase direct spending for retirement benefits by $1 million over the 2012-2016 period but would have no significant net impact on direct spending over the 2011-2021 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted before the end of 2011, that the necessary amounts will be appropriated near the start of each fiscal year, that amounts not needed after the EAC is eliminated would not be appropriated, and that the new spending will follow historical patterns for similar activities.

The EAC was established in the Help America Vote Act of 2002 (HAVA). The four-member, bipartisan commission advises state and local governments on administering elections and provides grants to states to replace punch-card voting machines and to make other improvements to voting systems. The agency's work also includes developing voluntary election management standards, serving as a clearing house for information, and reviewing procedures affecting the administration of federal elections. The commission currently receives appropriations of about $14 million annually.

Spending Subject to Appropriation

Terminating Election Assistance Commission. Eliminating the EAC would reduce the need for appropriated funds. HAVA authorized the appropriation of up to $10 million annually for the commission. However, in fiscal year 2011, the EAC received funding of about $14 million. Using CBO's baseline that adjusts the amounts appropriated in 2011 for anticipated future inflation, CBO estimates that terminating the EAC would reduce the need to appropriate $75 million over the 2012-2016 period.

Federal Election Commission. H.R. 672 would transfer some EAC responsibilities to the FEC. Based on information from the EAC and FEC, CBO expects that those new responsibilities would require the FEC to hire an additional 20 employees. CBO estimates that those additional employees would cost about $5 million annually. Under the bill, the FEC would continue an agreement to have the National Institute of Standards and Technology evaluate the performance of voting equipment (at an annual cost of $3 million).

Office of Management and Budget. The Office of Management and Budget would be responsible for closing down the EAC, including fulfilling the agency's final contracts and agreements. Based on information from the EAC, final responsibilities would include auditing $1.5 billion in Help America Vote Act funds, as well as about $40 million in other discretionary competitive grant programs. In addition, there are lease payments for three EAC office suites and final payments to employees, including vacation leave. CBO estimates that the cost of closing down the agency would be about $3 million over the 2012-2016 period, assuming the appropriation of the necessary amounts.

Reports. H.R. 672 also would require the Government Accountability Office (GAO) and FEC to conduct studies for the Congress over the next two years. GAO would study voluntary voting system guidelines, while the FEC would study testing, certification, decertification, and recertification of voting-system hardware and software. CBO estimates that the reports would cost less than $500,000 annually over the 2012-2013 period.

Direct Spending and Revenues

CBO estimates that terminating the EAC would lead fewer than 10 of the agency's employees to retire sooner than they otherwise would—triggering an increase in direct spending for retirement benefits of about $1 million over the 2012-2016 period. CBO also expects that those employees would receive slightly smaller retirement benefits than expected under current law; over the 2012-2021 period, the net change in direct spending would not be significant. Those same employees also would cease payments of retirement contributions, which are recorded in the budget as revenues. CBO estimates that the revenue reduction over the 2012-2021 period would be insignificant.

PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. H.R. 672 would increase direct spending over the 2011-2016 period as some current federal employees retire earlier than they would under current law. Those earlier retirements would result in a smaller annuity to those employees, and those same employees would also cease paying employee retirement contributions, which are recorded in the budget as revenues. CBO estimates that the net changes in the deficit over the 2011-2021 period would not be significant.

CBO Estimate of Pay-As-You-Go Effects for H.R. 672 as reported by the Committee on House Administration on June 2, 2011

	By Fiscal Year, in Millions of Dollars												
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2011-2016	2011-2021
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	1	0

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 672 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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